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Asparagus

Annual

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Report Highlights:

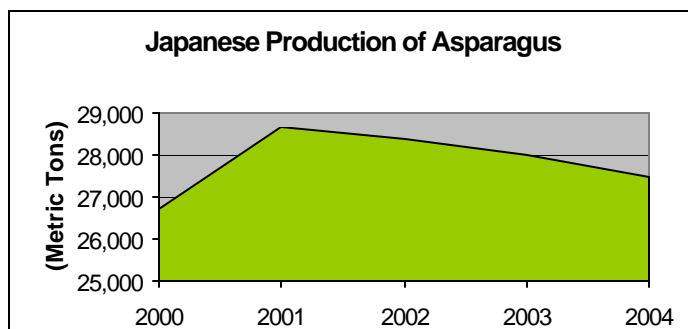
Japan produced 28,000 metric tons of fresh asparagus in January - December 2003, down approximately 1.4 percent from the previous year. Higher U.S. market prices have reduced estimated imports 10 percent in 2004. Estimated imports from Mexico are also down, an estimated 23 percent, as hot weather hurts production. Imports of low-cost Chinese asparagus is up significantly.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Tokyo [JA1]
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Japanese Asparagus Production Declines



According to the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan produced 28,000 metric tons of fresh asparagus in January – December 2003, down approximately 1.4 percent from the previous year, in the total harvesting area of 6,390 hectare. Conventional reasons relate the declines to declines in Japan's farming population and the labor intensive nature of asparagus

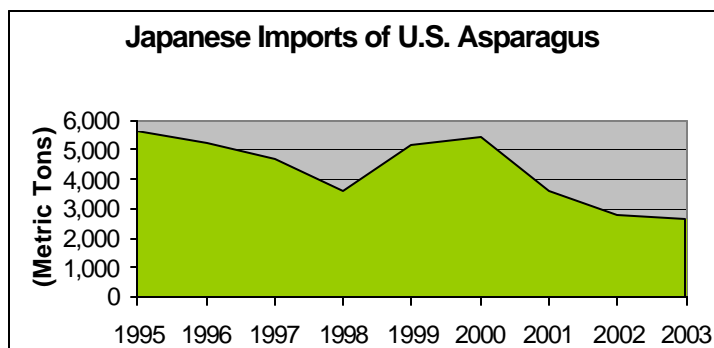
farming.

Japan produces asparagus in spring and fall with the peak harvesting in May and June. Asparagus harvest takes place nationwide, with core regions in Hokkaido, Tohoku, Nagano and Kyushu. Some farmers in Nagasaki and Saga prefectures, on the south-most island of Kyushu, have transplanted old stumps with young asparagus roots and expect growths in shipments in the near future, according to Japanese traders. Hokkaido and Nagano Prefectures, the key producers of asparagus, expect declines in shipments in the future due to aging asparagus plants. With warm weather in the spring, Japanese traders predict that domestic asparagus will be in the market approximately a week early this year. Approximately 65 percent of domestic asparagus are packaged and sold through growers cooperatives (Japan Agriculture), with the rest being sold directly to retailers, at farmers markets or through the Internet, according to industry sources. The majority of domestic asparagus are green, and consumed largely as table consumption. Approximately 2 percent of domestic asparagus are destined for canning.

In early June, domestic asparagus from Hokkaido and Nagano Prefectures were trading at \$9.58 - \$10.22 (1,050 – 1,120 yen) and \$10.59 - \$11.50 (1,160 – 1,260 yen) per kilogram, respectively, at Tokyo Ohta Wholesale Market. The same week, U.S. asparagus was trading at \$3.74 - \$5.84 (410- 640 yen) per kilogram, while asparagus from Thailand was trading at \$5.11 - \$7.67 (560 – 840 yen) per kilogram. Domestic asparagus was usually packaged in 150-gram bundles at grower's coop processing plant, while asparagus from the United States and Thailand were trading at the wholesale market in a 14- and 6-kilogram wooden box, respectively. In mid-June, Tokyo supermarkets sold domestic asparagus (Nagano Prefecture) at \$1.81 (199 yen) for a bundle of 150 grams (5 – 7 spears of asparagus) and California asparagus at \$1.62 (178 yen) for a bundle of 150 grams.

* The exchange rate of 109.51 yen per dollar is based on the Nikkei News on June 17, 2004.

Imports of U.S. Asparagus Down Approximately 10 Percent



Imports of fresh asparagus from the United States are estimated at approximately 2,400 metric tons, January – December 2004, down approximately 10 percent from the previous year, according to Tokyo traders. Higher market prices in the United States forced imports to decline. FOB prices in California were running over \$50 per 14-kilogram carton in late March, according to Tokyo traders.

Japanese imports of U.S. asparagus in the first four months of this season (January – April 2004) were 1,581 metric tons, down 22.5 percent from the same period of the last season. The U.S. shipments peaked in March, April and May, competing head-on with domestic asparagus. The majority of U.S. asparagus are shipped to Japan by boat in temperature-controlled containers. The average import price of U.S. asparagus, January – April 2004, was \$3.94 per kilogram (CIF), up 5.9 percent from the previous season.

Mexican Hot Weather Reduced Shipments 23 Percent

Fresh asparagus shipments from Mexico, January – April 2004, were 2,605 metric tons, down approximately 23 percent from the same period the previous season. The average import price of Mexican product was \$5.23 per kilogram (CIF), up approximately 38 percent from last season. Mexican asparagus was trading at \$71.91 - \$91.08 (7,875 – 9,975 yen) per 14-kilogram carton at the Tokyo Ohta Wholesale Market in early spring. The Mexican asparagus shipments peaked in January, February and March, overlapping with the peak season for U.S. exports.

Low Cost Chinese Fresh Asparagus Expands Sales

Chinese asparagus is still a minor item in the Japanese market, but from January – April 2004, China's exports were three times the same period the previous season at 84 metric tons. The average CIF price for Chinese asparagus was \$2.78 per kilogram, significantly less than other imports. Total imports from China in 2003 were 73 metric tons valued at \$171,000 (CIF).

Import Duties

Import duties are not subject to further reductions outside of the next round of WTO negotiations. The applicable import duty for fresh asparagus is as follows:

Tariff Code (HS)	Description	Duty Rate
0709.20-000	Fresh asparagus	3%

All duties are charged on a CIF basis.

PS&D Tables and Trade Matrices

Fresh Asparagus PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Asparagus, Fresh				(HA)(MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Area Planted	7500	6390	0	6320	0	6260
Area Harvested	7500	6390	0	6320	0	6260
TOTAL Production	30500	28000	0	27500	0	27000
Imports, Fresh	20000	17850	0	17000	0	16200
TOTAL SUPPLY	50500	45850	0	44500	0	43200
Exports, Fresh	0	0	0	0	0	0
Domestic Fresh Market	49750	45280	0	43950	0	42660
For Processing	750	570	0	550	0	540
TOTAL UTILIZATION	50500	45850	0	44500	0	43200

Fresh Asparagus Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Asparagus, Fresh		
Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	2797	U.S.	2656
Others		Others	
Australia	5691	Australia	3864
Philippines	4023	Philippines	3636
Thailand	3102	Mexico	3430
Mexico	2326	Thailand	2847
New Zealand	1046	New Zealand	1112
China	180	Peru	137
Peru	105	China	74
France	65	France	63
Netherlands	22	Netherlands	26
Total for Others	16560		15189
Others not Listed	6		5
Grand Total	19363		17850

Fresh Asparagus Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Asparagus, Fresh		
Prices in	Yen	per uom	KG
Year	2003	2004	% Change
Jan	1079	1077	0%
Feb	801	973	21%
Mar	845	989	17%
Apr	1019		-100%
May	839		-100%
Jun	907		-100%
Jul	1006		-100%
Aug	706		-100%
Sep	836		-100%
Oct	743		-100%
Nov	574		-100%
Dec	806		-100%
Exchange Rate	110.87	Local Currency/US \$	
Date of Quote	6/14/2004	MM/DD/YYYY	